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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/769,979	01/25/2001	David A. Seaman	36287-00700	5241
27171	7590	07/05/2005	EXAMINER	
MILBANK, TWEED, HADLEY & MCCLOY LLP 1 CHASE MANHATTAN PLAZA NEW YORK, NY 10005-1413			PATEL, JAGDISH	
		ART UNIT		PAPER NUMBER
				3624

DATE MAILED: 07/05/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/769,979	SEAMAN, DAVID A.	
	<b>Examiner</b>	<b>Art Unit</b>	
	JAGDISH PATEL	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 1 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### **Status**

1) Responsive to communication(s) filed on 01/25/01.  
 2a) This action is **FINAL**.                            2b) This action is non-final.  
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### **Disposition of Claims**

4) Claim(s) 1-56 is/are pending in the application.  
 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
 5) Claim(s) \_\_\_\_\_ is/are allowed.  
 6) Claim(s) \_\_\_\_\_ is/are rejected.  
 7) Claim(s) \_\_\_\_\_ is/are objected to.  
 8) Claim(s) 1-56 are subject to restriction and/or election requirement.

#### **Application Papers**

9) The specification is objected to by the Examiner.  
 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### **Priority under 35 U.S.C. § 119**

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
 a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### **Attachment(s)**

1) <input type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
	6) <input type="checkbox"/> Other: _____

## DETAILED ACTION

*Election/Restrictions*

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:

I. Claims 1-16 are drawn to a financial method and apparatus for **exchanging a share of an exchangeable security for a share of an underlying security.**

II. Claims 17 is drawn to a financial method and apparatus for **providing a share of an underlying security of a basket of underlying securities in return for an exchangeable security.**

III. Claims 18-27 are, drawn to a financial method and apparatus for **exchanging less than a full share of an underlying security for a share of an underlying security prior to a maturity date of the exchangeable security.**

IV. Claim 28 is, drawn to a financial method and apparatus for **exchanging less than a full share of an underlying security or basket of underlying securities for a**

share of the exchangeable security prior to a maturity date of the exchangeable security.

V. Claims 29-38 are, drawn to a financial method and apparatus for exchanging a full share of an underlying security for a share of the exchangeable security prior to a maturity date of the exchangeable security.

VI. Claims 39 is drawn to a financial method for exchanging a full share of an underlying security or basket of underlying securities for a share of the exchangeable security prior to a maturity date of the exchangeable security.

VII. Claims 40-52 is drawn to a financial method for issuing an exchangeable security at the discounted price, the exchangeable security including an exchange right on or after a second time, where under the exchange right, a holder of the exchangeable security may exchange a share of the exchangeable security for a share of the underlying security, the second time after the first time.

VIII. Claim 53 is drawn to a financial method for issuing  
an exchangeable security at the discounted price, the  
exchangeable security including an exchange right  
beginning on a maturity date of the exchangeable  
securities, where under the exchange right, a holder  
of the exchangeable security may exchange a share of  
the exchangeable security for a share of the  
underlying security or the basket of underlying  
securities, the maturity date after the first time.

IX. Claim 54 is drawn to a method for offering of a share  
of an exchangeable security by calculating an issue  
price of a share of an exchangeable security at a time  
of issue of the exchangeable security as a discounted  
price of a share of an underlying security.

X. Claim 55 is drawn to a method for trading on a  
securities exchange a share of an exchangeable  
security by calculating an issue price of a share of  
an exchangeable security at a time of issue of the  
exchangeable security as a discounted price of a share  
of an underlying security.

XI. Claim 56 is drawn to a method of **redeeming a share of an underlying security for a share of an exchangeable security, wherein an issue price of the exchangeable security is calculated at a first time as a discounted price of a share of an underlying security.**

The inventions are distinct, each from the other because of the following reasons:

Inventions I-VI are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct from each other if they are shown to be separately usable.

In the instant case,

**Invention I** has separate utility such as **exchanging a share of an exchangeable security for a share of an underlying security.**

**Invention II** has separate utility such as **providing a share of an underlying security of a basket of underlying securities in return for an exchangeable security.**

**Invention III** has separate utility such as **exchanging less than a full share of an underlying security for a share of an underlying security prior to a maturity date of the exchangeable security.**

Invention IV has separate utility such as exchanging less than a full share of an underlying security or basket of underlying securities for a share of the exchangeable security prior to a maturity date of the exchangeable security.

Invention V has separate utility such as exchanging a full share of an underlying security for a share of the exchangeable security prior to a maturity date of the exchangeable security.

Invention VI has separate utility such as exchanging a full share of an underlying security or basket of underlying securities for a share of the exchangeable security prior to a maturity date of the exchangeable security.

Invention VII has separate utility such as issuing an exchangeable security at the discounted price, the exchangeable security including an exchange right beginning on a maturity date of the exchangeable securities, where under the exchange right, a holder of the exchangeable security may exchange a share of the exchangeable security for a share of the underlying security or the basket of

underlying securities, the maturity date after the first time.

**Invention VIII** has separate utility such as issuing an exchangeable security at the discounted price, the exchangeable security including an exchange right beginning on a maturity date of the exchangeable securities, where under the exchange right, a holder of the exchangeable security may exchange a share of the exchangeable security for a share of the underlying security or the basket of underlying securities, the maturity date after the first time.

**Invention IX** has separate utility such as offering of a share of an exchangeable security by calculating an issue price of a share of an exchangeable security at a time of issue of the exchangeable security as a discounted price of a share of an underlying security.

**Invention X** has separate utility such as trading on a securities exchange a share of an exchangeable security by calculating an issue price of a share of an exchangeable security at a time of issue of the exchangeable security.

**Invention XI** has separate utility such as redeeming a share of an underlying security for a share of an exchangeable security, wherein an issue price of the

**exchangeable security is calculated at a first time as a discounted price of a share of an underlying security.**

See MPEP § 806.05(d).

2. Because these inventions are distinct for the reasons given above and the search required for each group of the aforementioned group is not required, restriction for examination purposes as indicated is proper.
3. Because these inventions are distinct for the reasons given above and have acquired a separate status in the art because of their recognized divergent subject matter, restriction for examination purposes as indicated is proper.

**ELECTION OF SPECIES**

4. This application contains claims directed to the following patentably distinct species. In the even that the applicant elects respective one of the following inventions, further election to one claim in each of the listed patent is required. Note that those claims in the invention not covered by the elected species are already included in the invention.

**Invention I.** (claims 1-16: claims 1, and 14-16 are generic)

Elect one species from each group:

(elect ONE) claim 3,4 (payment amount)

(elect ONE) claim 5,6 and 7 (price of the underlying security)

Art Unit: 3624

(elect ONE) claim 8 and 9 (discounted price)

(elect ONE) claim 12 and 13 (exchanging the underlying security).

**Invention III.** (claims 18-27: claim 18 is generic)

Elect one species from each group:

(elect ONE) claim 19, 20, 21 (price of the underlying security)

(elect ONE) claim 22, 23 (discounted price)

(elect ONE) claim 26 and 27 (exchanging the underlying security).

**Invention V.** (claims 29-38: claim 29 is generic)

Elect one species from each group:

(elect ONE) claim 30, 31, 32 (price of the underlying security)

(elect ONE) claim 33, 34 (discounted price)

(elect ONE) claim 37 and 38 (exchanging the underlying security).

**Invention VII.** (Claims 40-52: claim 40 is generic)

(elect ONE) claim 42, 43 (payment amount)

(elect ONE) claim 44, 45, 46 (price of the underlying security)

(elect ONE) claim 47, 48 (discounted price)

(elect ONE) claim 51, 52 (exchanging the underlying security).

Applicant is required under 35 U.S.C. 121 to elect a single disclosed species for prosecution on the merits to which the

Art Unit: 3624

claims shall be restricted if no generic claim is finally held to be allowable.

Applicant is advised that a reply to this requirement must include an identification of the species that is elected consonant with this requirement, and a listing of all claims readable thereon, including any claims subsequently added. An argument that a claim is allowable or that all claims are generic is considered nonresponsive unless accompanied by an election.

Upon the allowance of a generic claim, applicant will be entitled to consideration of claims to additional species which are written in dependent form or otherwise include all the limitations of an allowed generic claim as provided by 37 CFR 1.141. If claims are added after the election, applicant must indicate which are readable upon the elected species. MPEP § 809.02(a).

Should applicant traverse on the ground that the species are not patentably distinct, applicant should submit evidence or identify such evidence now of record showing the species to be obvious variants or clearly admit on the record that this is the case. In either instance, if the examiner finds one of the inventions unpatentable over the prior art, the evidence or

Art Unit: 3624

admission may be used in a rejection under 35 U.S.C. 103(a) of the other invention.

5. A telephone call was made to HOLM, CHRIS on 6/23/05 to request an oral election to the above restriction requirement, but did not result in an election being made.

Applicant is advised that the reply to this requirement to be complete must include an election of the invention to be examined even though the requirement be traversed (37 CFR 1.143).

Applicant is advised that the reply to this requirement to be complete must include an election of the invention to be examined even though the requirement be traversed (37 CFR 1.143).

#### ***Conclusion***

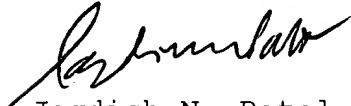
The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on 800AM-600PM M-Th.

Art Unit: 3624

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571)272-6747. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

6/22/05